

# Senate File 28 - Introduced

SENATE FILE 28

BY ZAUN

## A BILL FOR

1 An Act relating to education by modifying the duties and  
2 authority of certain state and local governmental entities,  
3 establishing an education savings grant program and fund,  
4 making appropriations, providing penalties, and including  
5 effective date and applicability provisions.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

REPEAL OF DEPARTMENT OF EDUCATION AND  
STATE BOARD OF EDUCATION

Section 1. NEW SECTION. **256B.16 Transfer of authority and duties.**

1. Beginning July 1, 2020, the authority and duties of the department of education, the division of special education created under section 256B.1, the state board of education, and the director of the department of education under this chapter shall to the extent feasible be transferred to the appropriate area education agency where such special education services are being provided. Accordingly, beginning July 1, 2020, all references to the department of education or the division of special education under this chapter and references to the department of education or the division of special education under other provisions of law relating to this chapter shall mean the applicable area education agency and all references to the state board of education or the director of the department of education under this chapter or other provisions of law relating to this chapter shall mean the board of directors of the area education agency and the administrator of the area education agency respectively.

2. Any moneys remaining in any account or fund under the control of the department of education at the conclusion of the fiscal year beginning July 1, 2019, relative to the provisions of this chapter shall be transferred to the control of the department of human services for such purposes. Notwithstanding section 8.33, the moneys transferred in accordance with this subsection shall not revert to the account or fund from which appropriated or transferred.

3. Any contract entered into by the department of education relating to the provisions of this chapter in effect at the conclusion of the fiscal year beginning July 1, 2019, shall continue in full force and effect pending transfer of such contracts to the area education agencies.

1     4. Any rule, regulation, form, order, or directive  
2 promulgated by the department of education relative to the  
3 provisions of this chapter in existence at the conclusion of  
4 the fiscal year beginning July 1, 2019, shall continue in full  
5 force and effect.

6     5. In regard to updating references and format in the Iowa  
7 administrative code in order to correspond to the transferring  
8 of duties of this chapter, the administrative rules coordinator  
9 and the administrative rules review committee, in consultation  
10 with the administrative code editor, shall jointly develop a  
11 schedule for the necessary updating of the Iowa administrative  
12 code.

13     Sec. 2. Section 256C.1, Code 2019, is amended to read as  
14 follows:

15     **256C.1 Definitions.**

16     As used in [this chapter](#):

17     1. *"Approved local program"* means a school district's  
18 program for four-year-old children ~~approved by the department~~  
19 ~~of education to provide high quality preschool instruction.~~

20     2. ~~"Department" means the department of education.~~

21     3. ~~"Director" means the director of the department of~~  
22 ~~education.~~

23     4. 2. *"Preschool program"* means the statewide preschool  
24 program for four-year-old children created in accordance with  
25 this chapter.

26     5. 3. *"School district approved to participate in the*  
27 *preschool program"* means a school district that meets the  
28 school district requirements under [section 256C.3](#) ~~and has been~~  
29 ~~approved by the department to participate in the preschool~~  
30 ~~program.~~

31     6. ~~"State board" means the state board of education.~~

32     Sec. 3. Section 256C.2, subsection 2, Code 2019, is amended  
33 by striking the subsection.

34     Sec. 4. Section 256C.3, subsection 2, paragraph a,  
35 subparagraph (3), Code 2019, is amended to read as follows:

1 (3) The individual possesses a bachelor's or graduate  
2 degree from an accredited college or university with a major  
3 in early childhood education or other appropriate major  
4 ~~identified in rule by the department as determined by the~~  
5 school district's board of directors.

6 Sec. 5. Section 256C.3, subsection 3, unnumbered paragraph  
7 1, Code 2019, is amended to read as follows:

8 ~~The state board shall adopt rules to further define the~~  
9 ~~following preschool program requirements which shall be used to~~  
10 ~~determine whether or not a~~ Each local program implemented by  
11 a school district approved to implement the preschool program  
12 ~~qualifies as an approved local program~~ shall address or conform  
13 with all of the following:

14 Sec. 6. Section 256C.3, subsection 3, paragraph e, Code  
15 2019, is amended to read as follows:

16 e. Collaboration with participating families, early care  
17 providers, and community partners including but not limited to  
18 early childhood Iowa area boards, head start programs, shared  
19 ~~visions and other programs provided under the auspices of the~~  
20 ~~child development coordinating council~~, licensed child care  
21 centers, registered child development homes, area education  
22 agencies, child care resource and referral services provided  
23 under [section 237A.26](#), early childhood special education  
24 programs, services funded by Tit. I of the federal Elementary  
25 and Secondary Education Act of 1965, and family support  
26 programs.

27 Sec. 7. Section 256C.3, subsection 4, Code 2019, is amended  
28 by striking the subsection and inserting in lieu thereof the  
29 following:

30 4. *School district requirements.*

31 a. Subject to implementation of chapter 28E agreements  
32 between a school district and community-based providers of  
33 services to four-year-old children, a four-year-old child who  
34 is enrolled in a child care center or child development home  
35 licensed or registered under chapter 237A, or in an existing

1 public or private preschool program, shall be eligible for  
2 services provided by the school district's local preschool  
3 program.

4     *b.* Professional development for school district preschool  
5 teachers shall be addressed in the school district's  
6 professional development plan implemented in accordance with  
7 section 284.6.

8     Sec. 8. Section 256C.3, subsection 5, Code 2019, is amended  
9 by striking the subsection.

10     Sec. 9. Section 256C.4, subsection 1, paragraph d, Code  
11 2019, is amended to read as follows:

12     *d.* Preschool foundation aid funding shall not be commingled  
13 with the other state aid payments made under [section 257.16](#)  
14 to a school district and shall be accounted for by the local  
15 school district separately from the other state aid payments.  
16 Preschool foundation aid payments made to school districts  
17 are miscellaneous income for purposes of [chapter 257](#). A  
18 school district shall maintain a separate listing within its  
19 budget for preschool foundation aid payments received and  
20 expenditures made. ~~A school district shall certify to the~~  
21 ~~department of education that preschool~~ Preschool foundation aid  
22 funding received by the school district ~~was~~ shall be used to  
23 supplement, not supplant, moneys otherwise received and used by  
24 the school district for preschool programming.

25     Sec. 10. Section 256C.4, subsection 2, paragraph b, Code  
26 2019, is amended to read as follows:

27     *b.* The enrollment count of eligible students shall not  
28 include a child who is included in the enrollment count  
29 determined under [section 257.6](#) or a child who is served by  
30 a program already receiving state or federal funds for the  
31 purpose of the provision of four-year-old preschool programming  
32 while the child is being served by the program. Such preschool  
33 programming includes but is not limited to ~~child development~~  
34 ~~assistance programs provided under~~ [chapter 256A](#), special  
35 education programs provided under [section 256B.9](#), school ready

1 children grant programs and other programs provided under  
2 chapter 256I, and federal head start programs and the services  
3 funded by Tit. I of the federal Elementary and Secondary  
4 Education Act of 1965.

5 Sec. 11. Section 256C.5, subsection 2, Code 2019, is amended  
6 to read as follows:

7 2. *Preschool foundation aid district amount.*

8 a. For the initial school year for which a school district  
9 approved to participate in the preschool program ~~receives that~~  
10 ~~approval and~~ implements the preschool program, the funding for  
11 the preschool foundation aid payable to that school district  
12 shall be paid from the appropriation made for that school year  
13 in [section 256C.6](#), Code 2011, or in another appropriation  
14 made for purposes of [this chapter](#). For that school year, the  
15 preschool foundation aid payable to the school district is  
16 the product of the regular program state cost per pupil for  
17 the school year multiplied by sixty percent of the school  
18 district's eligible student enrollment on the date in the  
19 school year ~~determined by rule~~.

20 b. For budget years subsequent to the initial school year  
21 for which a school district approved to participate in the  
22 preschool program ~~receives that initial approval and~~ implements  
23 the preschool program, the funding for the preschool foundation  
24 aid payable to that school district shall be paid from the  
25 appropriation made in [section 257.16](#). ~~Continuation of a~~  
26 ~~school district's participation in the preschool program for~~  
27 ~~a second or subsequent budget year is subject to the approval~~  
28 ~~of the department based upon the school district's compliance~~  
29 ~~with accountability provisions and the department's on-site~~  
30 ~~review of the school district's implementation of the preschool~~  
31 ~~program.~~

32 Sec. 12. Section 256C.5, subsection 4, Code 2019, is amended  
33 by striking the subsection.

34 Sec. 13. NEW SECTION. 256F.12 Transfer of authority and  
35 duties.

1     1. Beginning July 1, 2020, the authority and duties of the  
 2 department of education, the state board, and the director of  
 3 the department of education under this chapter, to the extent  
 4 feasible, shall be transferred to the board of directors of  
 5 the community college serving the merged area in which the  
 6 charter school or innovation zone school, or such proposed  
 7 school, is located. Accordingly, beginning July 1, 2020, all  
 8 references to the department of education, the state board of  
 9 education, and the director of the department of education  
 10 under this chapter or other provisions of law relating to this  
 11 chapter shall mean the board of directors of the community  
 12 college serving the merged area in which the charter school or  
 13 innovation zone school, or such proposed school, is located.

14     2. Any contract entered into by the department of education  
 15 relating to the provisions of this chapter in effect at the  
 16 conclusion of the fiscal year beginning July 1, 2019, shall  
 17 continue in full force and effect pending transfer of such  
 18 contracts to the appropriate community college board of  
 19 directors.

20     3. Any rule, regulation, form, order, or directive  
 21 promulgated by the department of education relative to the  
 22 provisions of this chapter in existence at the conclusion of  
 23 the fiscal year beginning July 1, 2019, shall continue in full  
 24 force and effect.

25     Sec. 14. NEW SECTION.    **256H.4 Transfer of authority and**  
 26 **duties.**

27     1. Beginning July 1, 2020, the authority and duties of the  
 28 department of education and the director of the department  
 29 of education under this chapter shall be transferred to the  
 30 adjutant general of the state. Accordingly, beginning July 1,  
 31 2020, all references to the department of education and the  
 32 director of the department of education under this chapter or  
 33 other provisions of law relating to this chapter shall mean  
 34 adjutant general of the state.

35     2. Any contract entered into by the department of education

1 relating to the provisions of this chapter in effect at the  
2 conclusion of the fiscal year beginning July 1, 2019, shall  
3 continue in full force and effect pending transfer of such  
4 contracts to the adjutant general of the state.

5 3. Any rule, regulation, form, order, or directive  
6 promulgated by the department of education relative to the  
7 provisions of this chapter in existence upon conclusion of the  
8 fiscal year beginning July 1, 2019, shall continue in full  
9 force and effect.

10 Sec. 15. NEW SECTION. 256I.14 **Transfer of authority and**  
11 **duties.**

12 1. Beginning July 1, 2020, the authority and duties of the  
13 department of education and the director of the department  
14 of education under this chapter shall be transferred to the  
15 department of management and the director of the department  
16 of management. Accordingly, beginning July 1, 2020, all  
17 references to the department of education or the director of  
18 the department of education under this chapter or under other  
19 provisions of law relating to this chapter shall mean the  
20 department of management and the director of the department of  
21 management.

22 2. Any moneys remaining in any account or fund under the  
23 control of the department of education at the conclusion of the  
24 fiscal year beginning July 1, 2019, relative to the provisions  
25 of this chapter shall be transferred to the control of the  
26 department of management for such purposes. Notwithstanding  
27 section 8.33, the moneys transferred in accordance with this  
28 subsection shall not revert to the account or fund from which  
29 appropriated or transferred.

30 3. Any contract entered into by the department of education  
31 relating to the provisions of this chapter in effect at the  
32 conclusion of the fiscal year beginning July 1, 2019, shall  
33 continue in full force and effect pending transfer of such  
34 contracts to the department of management.

35 4. Any rule, regulation, form, order, or directive



1 promulgated by the department of education relative to the  
 2 provisions of this chapter in existence at the conclusion of  
 3 the fiscal year beginning July 1, 2019, shall continue in full  
 4 force and effect until amended, repealed, or supplemented by  
 5 affirmative action of the department of management under the  
 6 duties and powers established in this chapter and under the  
 7 procedure established in subsection 5.

8     5. In regard to updating references and format in the Iowa  
 9 administrative code in order to correspond to the transferring  
 10 of duties of this chapter, the administrative rules coordinator  
 11 and the administrative rules review committee, in consultation  
 12 with the administrative code editor, shall jointly develop a  
 13 schedule for the necessary updating of the Iowa administrative  
 14 code.

15     Sec. 16. Section 257C.5, subsection 1, Code 2019, is amended  
 16 to read as follows:

17     1. The powers of the authority are vested in and exercised  
 18 by a board consisting of five members, including the treasurer  
 19 of state, ~~the director of the department of education,~~ and the  
 20 director of the department of management, and ~~two~~ three members  
 21 appointed by the governor, subject to confirmation by the  
 22 senate. The state officials may designate representatives to  
 23 serve on the board for them. As far as possible, the governor  
 24 shall appoint members who are knowledgeable or experienced in  
 25 the school systems of this state or in finance.

26     Sec. 17. NEW SECTION. **258.18 Transfer of authority and**  
 27 **duties.**

28     1. Beginning July 1, 2020, the authority and duties of the  
 29 department of education, the state board of education, and the  
 30 director of the department of education under this chapter  
 31 shall be transferred to the department of workforce development  
 32 and the director of the department of workforce development.  
 33 Accordingly, beginning July 1, 2020, all references to the  
 34 department of education under this chapter and references  
 35 to the department of education under other provisions of

1 law relating to this chapter shall mean the department of  
2 workforce development and all references to the state board  
3 of education or the director of the department of education  
4 under this chapter or other provisions of law relating to this  
5 chapter shall mean the director of the department of workforce  
6 development.

7     2. Any moneys remaining in any account or fund under the  
8 control of the department of education at the conclusion  
9 of the fiscal year beginning July 1, 2019, relative to the  
10 provisions of this chapter shall be transferred to the control  
11 of the department of workforce development for such purposes.  
12 Notwithstanding section 8.33, the moneys transferred in  
13 accordance with this subsection shall not revert to the account  
14 or fund from which appropriated or transferred.

15     3. Any contract entered into by the department of education  
16 relating to the provisions of this chapter in effect at the  
17 conclusion of the fiscal year beginning July 1, 2019, shall  
18 continue in full force and effect pending transfer of such  
19 contracts to the department of workforce development.

20     4. Any rule, regulation, form, order, or directive  
21 promulgated by the department of education relative to the  
22 provisions of this chapter in existence at the conclusion of  
23 the fiscal year beginning July 1, 2019, shall continue in full  
24 force and effect until amended, repealed, or supplemented by  
25 affirmative action of the department of workforce development  
26 under the duties and powers established in this chapter and  
27 under the procedure established in subsection 5.

28     5. In regard to updating references and format in the Iowa  
29 administrative code in order to correspond to the transferring  
30 of duties of this chapter, the administrative rules coordinator  
31 and the administrative rules review committee, in consultation  
32 with the administrative code editor, shall jointly develop a  
33 schedule for the necessary updating of the Iowa administrative  
34 code.

35     Sec. 18. NEW SECTION.   **259.1A Transfer of authority and**

1 **duties.**

2     1. Beginning July 1, 2020, the authority and duties of the  
3 department of education, the state board of education, and the  
4 director of the department of education under this chapter  
5 shall be transferred to the department of workforce development  
6 and the director of the department of workforce development.  
7 Accordingly, beginning July 1, 2020, all references to the  
8 department of education under this chapter and references  
9 to the department of education under other provisions of  
10 law relating to this chapter shall mean the department of  
11 workforce development and all references to the state board  
12 of education or the director of the department of education  
13 under this chapter or other provisions of law relating to this  
14 chapter shall mean the director of the department of workforce  
15 development.

16     2. Beginning July 1, 2020, the division of vocational  
17 rehabilitation services created within the department of  
18 education under section 259.3 shall be transferred to the  
19 department of workforce development.

20     3. Any moneys remaining in any account or fund under the  
21 control of the department of education at the conclusion  
22 of the fiscal year beginning July 1, 2019, relative to the  
23 provisions of this chapter shall be transferred to the control  
24 of the department of workforce development for such purposes.  
25 Notwithstanding section 8.33, the moneys transferred in  
26 accordance with this subsection shall not revert to the account  
27 or fund from which appropriated or transferred.

28     4. Any contract entered into by the department of education  
29 relating to the provisions of this chapter in effect at the  
30 conclusion of the fiscal year beginning July 1, 2019, shall  
31 continue in full force and effect pending transfer of such  
32 contracts to the department of workforce development.

33     5. Any rule, regulation, form, order, or directive  
34 promulgated by the department of education relative to the  
35 provisions of this chapter in existence at the conclusion of

1 the fiscal year beginning July 1, 2019, shall continue in full  
 2 force and effect until amended, repealed, or supplemented by  
 3 affirmative action of the department of workforce development  
 4 under the duties and powers established in this chapter and  
 5 under the procedure established in subsection 6.

6 6. In regard to updating references and format in the Iowa  
 7 administrative code in order to correspond to the transferring  
 8 of duties of this chapter, the administrative rules coordinator  
 9 and the administrative rules review committee, in consultation  
 10 with the administrative code editor, shall jointly develop a  
 11 schedule for the necessary updating of the Iowa administrative  
 12 code.

13 Sec. 19. NEW SECTION. 260C.1A **Transfer of authority and**  
 14 **duties.**

15 1. Beginning July 1, 2020, the authority and duties of the  
 16 department of education, the state board of education, and the  
 17 director of the department of education under this chapter  
 18 shall, to the extent feasible, be transferred to the boards of  
 19 directors of the community colleges serving the merged areas of  
 20 the state. Accordingly, beginning July 1, 2020, all references  
 21 to the department of education, the state board of education,  
 22 and the director of the department of education under this  
 23 chapter and references to the department of education, the  
 24 state board of education, and the director of the department  
 25 of education under other provisions of law relating to this  
 26 chapter shall mean the applicable board of directors of a  
 27 community college.

28 2. Beginning July 1, 2020, transfer of the duties and  
 29 authority of the department shall also include all duties and  
 30 authority of the community colleges division created within the  
 31 department of education under section 260C.6.

32 3. Any moneys remaining in any account or fund under the  
 33 control of the department of education at the conclusion of the  
 34 fiscal year beginning July 1, 2019, relative to the provisions  
 35 of this chapter shall be transferred to the control of the

1 applicable board of directors of a community college for such  
2 purposes. Notwithstanding section 8.33, the moneys transferred  
3 in accordance with this subsection shall not revert to the  
4 account or fund from which appropriated or transferred.

5 4. Any contract entered into by the department of education  
6 relating to the provisions of this chapter in effect at the  
7 conclusion of the fiscal year beginning July 1, 2019, shall  
8 continue in full force and effect pending transfer of such  
9 contracts to the boards of directors of the community colleges.

10 5. Any rule, regulation, form, order, or directive  
11 promulgated by the department of education relative to the  
12 provisions of this chapter in existence at the conclusion of  
13 the fiscal year beginning July 1, 2019, shall continue in full  
14 force and effect.

15 Sec. 20. Section 260E.7, subsection 1, Code 2019, is amended  
16 to read as follows:

17 1. The economic development authority, in consultation with  
18 the ~~department of education~~, the department of revenue, and  
19 the department of workforce development, shall coordinate and  
20 review the new jobs training program. The economic development  
21 authority shall adopt, amend, and repeal rules under chapter  
22 17A that the community college will use in developing projects  
23 with new and expanding industrial new jobs training proposals  
24 and that the economic development authority shall use to review  
25 and report on the new jobs training program as required in this  
26 section.

27 Sec. 21. Section 260F.3, subsection 5, Code 2019, is amended  
28 to read as follows:

29 5. Other criteria established by the ~~department~~ authority.

30 Sec. 22. Section 260F.6B, Code 2019, is amended to read as  
31 follows:

32 **260F.6B High technology apprenticeship program.**

33 The community colleges and the authority are authorized  
34 to fund high technology apprenticeship programs which comply  
35 with the requirements specified in [section 260C.44](#) and which

1 may include both new and statewide apprenticeship programs.  
 2 Notwithstanding the provisions of section 260F.6, subsection  
 3 2, relating to maximum award amounts, moneys allocated to  
 4 the community colleges with high technology apprenticeship  
 5 programs shall be distributed to the community colleges based  
 6 upon contact hours under the programs administered during the  
 7 prior fiscal year as determined by the ~~department of education~~  
 8 authority. The authority shall adopt rules governing this  
 9 section's operation and participant eligibility.

10 Sec. 23. Section 260F.7, Code 2019, is amended to read as  
 11 follows:

12 **260F.7 Authority to coordinate.**

13 The authority, in consultation with ~~the department of~~  
 14 ~~education and~~ the department of workforce development, shall  
 15 coordinate the jobs training program. A project shall not be  
 16 funded under **this chapter** unless the authority approves the  
 17 project. The authority shall adopt rules pursuant to chapter  
 18 17A governing the program's operation and eligibility for  
 19 participation in the program. The authority shall establish  
 20 by rule criteria for determining what constitutes an eligible  
 21 business.

22 Sec. 24. Section 260H.2, subsection 1, Code 2019, is amended  
 23 to read as follows:

24 1. A pathways for academic career and employment program  
 25 is established to provide funding to community colleges  
 26 for the development of projects in coordination with the  
 27 economic development authority, ~~the department of education,~~  
 28 the department of workforce development, local workforce  
 29 development boards established pursuant to **section 84A.4**, and  
 30 community partners to implement a simplified, streamlined, and  
 31 comprehensive process, along with customized support services,  
 32 to enable eligible participants to acquire effective academic  
 33 and employment training to secure gainful, quality, in-state  
 34 employment.

35 Sec. 25. Section 260H.2, subsection 2, paragraph a, Code

1 2019, is amended to read as follows:

2     a. A pathways for academic career and employment fund  
3 is created for the community colleges in the state treasury  
4 to be administered by the ~~department of education~~ economic  
5 development authority. The moneys in the pathways for academic  
6 career and employment fund are appropriated to the ~~department~~  
7 ~~of education~~ economic development authority for the pathways  
8 for academic career and employment program.

9     Sec. 26. Section 260H.8, Code 2019, is amended to read as  
10 follows:

11     **260H.8 Rules.**

12     The ~~department of education~~ authority, in consultation with  
13 the community colleges, ~~the economic development authority~~,  
14 and the department of workforce development, shall adopt rules  
15 pursuant to [chapter 17A](#) and [this chapter](#) to implement the  
16 provisions of [this chapter](#). Local workforce development boards  
17 established pursuant to [section 84A.4](#) shall be consulted in the  
18 development and implementation of rules to be adopted pursuant  
19 to [this chapter](#).

20     Sec. 27. Section 260I.2, subsection 2, paragraph a, Code  
21 2019, is amended to read as follows:

22     a. There is established for the community colleges  
23 a gap tuition assistance fund in the state treasury to  
24 be administered by the ~~department of education~~ economic  
25 development authority. The funds in the gap tuition assistance  
26 fund are appropriated to the ~~department of education~~ economic  
27 development authority for the gap tuition assistance program.

28     Sec. 28. Section 260I.3, subsection 1, Code 2019, is amended  
29 to read as follows:

30     1. The ~~department of education~~, in consultation with the  
31 economic development authority, shall adopt rules pursuant to  
32 this chapter defining eligibility criteria for persons applying  
33 to receive tuition assistance under [this chapter](#).

34     Sec. 29. Section 260I.10, Code 2019, is amended to read as  
35 follows:

1     **260I.10 Oversight.**

2     1. The ~~department of education~~ economic development  
3 authority, in coordination with the community colleges, shall  
4 establish a steering committee. The steering committee shall  
5 determine if the performance measures of the gap tuition  
6 assistance program are being met and shall take necessary steps  
7 to correct any deficiencies. The steering committee shall meet  
8 at least quarterly to evaluate and monitor the performance of  
9 the gap tuition assistance program.

10    2. The ~~department of education~~ economic development  
11 authority, in coordination with the community colleges,  
12 shall develop a common intake tracking system that shall be  
13 implemented consistently by each participating community  
14 college.

15    3. The ~~department of education~~ economic development  
16 authority shall coordinate statewide oversight, evaluation, and  
17 reporting efforts for the gap tuition assistance program.

18    Sec. 30. Section 260I.11, Code 2019, is amended to read as  
19 follows:

20     **260I.11 Rules.**

21    The ~~department of education~~ economic development authority,  
22 in consultation with the ~~economic development authority~~ and the  
23 community colleges, shall adopt rules pursuant to [chapter 17A](#)  
24 and [this chapter](#) to implement the provisions of [this chapter](#).

25    Sec. 31. Section 261.1, subsection 2, paragraph b, Code  
26 2019, is amended by striking the paragraph.

27    Sec. 32. NEW SECTION. **261.8 Transfer of authority and**  
28 **duties.**

29    1. Beginning July 1, 2020, the authority and duties of the  
30 department of education, the state board of education, and the  
31 director of the department of education under this chapter  
32 shall be transferred to the college student aid commission.  
33 Accordingly, beginning July 1, 2020, all references to the  
34 department of education or the director of the department of  
35 education under this chapter and references to the department



1 of education or the director of the department of education  
2 under other provisions of law relating to this chapter shall  
3 mean the college student aid commission.

4     2. Any moneys remaining in any account or fund under the  
5 control of the department of education at the conclusion  
6 of the fiscal year beginning July 1, 2019, relative to the  
7 provisions of this chapter shall be transferred to the control  
8 of the college student aid commission for such purposes.  
9 Notwithstanding section 8.33, the moneys transferred in  
10 accordance with this subsection shall not revert to the account  
11 or fund from which appropriated or transferred.

12     3. Any contract entered into by the department of education  
13 relating to the provisions of this chapter in effect at the  
14 conclusion of the fiscal year beginning July 1, 2019, shall  
15 continue in full force and effect pending transfer of such  
16 contracts to the college student aid commission.

17     4. Any rule, regulation, form, order, or directive  
18 promulgated by the department of education relative to the  
19 provisions of this chapter in existence at the conclusion of  
20 the fiscal year beginning July 1, 2019, shall continue in full  
21 force and effect until amended, repealed, or supplemented by  
22 affirmative action of the college student aid commission under  
23 the duties and powers established in this chapter and under the  
24 procedure established in subsection 5.

25     5. In regard to updating references and format in the Iowa  
26 administrative code in order to correspond to the transferring  
27 of duties of this chapter, the administrative rules coordinator  
28 and the administrative rules review committee, in consultation  
29 with the administrative code editor, shall jointly develop a  
30 schedule for the necessary updating of the Iowa administrative  
31 code.

32     Sec. 33. NEW SECTION. **261E.1A Transfer of authority and**  
33 **duties.**

34     1. Beginning July 1, 2020, the authority and duties of  
35 the department of education, the state board of education,

1 and the director of the department of education under this  
2 chapter shall be transferred to the state board of regents.  
3 Accordingly, beginning July 1, 2020, all references to the  
4 department of education, the state board of education, or the  
5 director of the department of education under this chapter  
6 and references to the department of education, state board of  
7 education, or director of the department of education under  
8 other provisions of law relating to this chapter shall mean the  
9 state board of regents.

10 2. Any moneys remaining in any account or fund under the  
11 control of the department of education at the conclusion of the  
12 fiscal year beginning July 1, 2019, relative to the provisions  
13 of this chapter shall be transferred to the control of the  
14 state board of regents for such purposes. Notwithstanding  
15 section 8.33, the moneys transferred in accordance with this  
16 subsection shall not revert to the account or fund from which  
17 appropriated or transferred.

18 3. Any contract entered into by the department of education  
19 relating to the provisions of this chapter in effect at the  
20 conclusion of the fiscal year beginning July 1, 2019, shall  
21 continue in full force and effect pending transfer of such  
22 contracts to the state board of regents.

23 4. Any rule, regulation, form, order, or directive  
24 promulgated by the department of education relative to the  
25 provisions of this chapter in existence at the conclusion of  
26 the fiscal year beginning July 1, 2019, shall continue in full  
27 force and effect until amended, repealed, or supplemented by  
28 affirmative action of the state board of regents under the  
29 duties and powers established in this chapter and under the  
30 procedure established in subsection 5.

31 5. In regard to updating references and format in the Iowa  
32 administrative code in order to correspond to the transferring  
33 of duties of this chapter, the administrative rules coordinator  
34 and the administrative rules review committee, in consultation  
35 with the administrative code editor, shall jointly develop a

1 schedule for the necessary updating of the Iowa administrative  
2 code.

3 Sec. 34. Section 262.9, subsection 27, Code 2019, is amended  
4 to read as follows:

5 27. ~~Explore, in conjunction with the department~~  
6 ~~of education,~~ the need for coordination between school  
7 districts, area education agencies, state board of regents  
8 institutions, and community colleges for purposes of delivery  
9 of courses, use of telecommunications, transportation, and  
10 other similar issues. Coordination may include but is not  
11 limited to coordination of calendars, programs, schedules, or  
12 telecommunications emissions. The state board shall develop  
13 recommendations as necessary, which shall be submitted in a  
14 report to the general assembly on a timely basis.

15 Sec. 35. Section 262.9, subsection 33, unnumbered paragraph  
16 1, Code 2019, is amended to read as follows:

17 ~~In consultation with the state board of education, establish~~  
18 Establish and enter into a collective statewide articulation  
19 agreement with the community colleges established pursuant to  
20 chapter 260C, which shall provide for the seamless transfer  
21 of academic credits from a completed associate of arts or  
22 associate of science degree program offered by a community  
23 college to a baccalaureate degree program offered by an  
24 institution of higher education governed by the board. The  
25 board shall also do the following:

26 Sec. 36. Section 262.9, subsection 33, paragraph i, Code  
27 2019, is amended to read as follows:

28 *i.* ~~Prepare, jointly with the department of education and~~  
29 the liaison advisory committee on transfer students, and submit  
30 by January 15 annually to the general assembly, an update on  
31 the articulation efforts and activities implemented by the  
32 community colleges and the institutions of higher education  
33 governed by the board.

34 Sec. 37. Section 262.71, subsection 9, Code 2019, is amended  
35 by striking the subsection.

1     Sec. 38. Section 272.1, subsection 4, Code 2019, is amended  
2 by striking the subsection.

3     Sec. 39. NEW SECTION. **272.1A Transfer of authority and**  
4 **duties.**

5     1. Beginning July 1, 2020, the authority and duties of the  
6 department of education, the state board of education, and the  
7 director of the department of education under this chapter  
8 shall be transferred to the board of educational examiners.  
9 Accordingly, beginning July 1, 2020, all references to the  
10 department of education, the state board of education, or the  
11 director of the department of education under this chapter  
12 and references to the department of education, state board of  
13 education, or director of the department of education under  
14 other provisions of law relating to this chapter shall mean the  
15 board of educational examiners.

16     2. Any moneys remaining in any account or fund under the  
17 control of the department of education at the conclusion  
18 of the fiscal year beginning July 1, 2019, relative to the  
19 provisions of this chapter shall be transferred to the control  
20 of the board of educational examiners for such purposes.  
21 Notwithstanding section 8.33, the moneys transferred in  
22 accordance with this subsection shall not revert to the account  
23 or fund from which appropriated or transferred.

24     3. Any contract entered into by the department of education  
25 relating to the provisions of this chapter in effect at the  
26 conclusion of the fiscal year beginning July 1, 2019, shall  
27 continue in full force and effect pending transfer of such  
28 contracts to the board of educational examiners.

29     Sec. 40. Section 272.3, subsection 1, unnumbered paragraph  
30 1, Code 2019, is amended to read as follows:

31     The board of educational examiners consists of twelve  
32 members. Two must be members of the general public, ~~one~~  
33 ~~must be the director of the department of education or the~~  
34 ~~director's designee,~~ and the remaining ~~nine~~ ten members must be  
35 licensed practitioners. One of the public members shall have

1 served on a school board. The public members shall never have  
2 held a practitioner's license, but shall have a demonstrated  
3 interest in education. The ~~nine~~ ten practitioners shall be  
4 selected from the following areas and specialties of the  
5 teaching profession:

6 Sec. 41. Section 272.3, subsection 2, Code 2019, is amended  
7 to read as follows:

8 2. A majority of the licensed practitioner members shall  
9 be nonadministrative practitioners. Four of the members shall  
10 be administrators. Membership of the board shall comply with  
11 the requirements of sections 69.16 and 69.16A. A quorum of the  
12 board shall consist of six members. Members shall elect a  
13 chairperson of the board. ~~Members, except for the director of~~  
14 ~~the department of education or the director's designee,~~ shall  
15 be appointed by the governor subject to confirmation by the  
16 senate.

17 Sec. 42. Section 272.4, subsection 1, unnumbered paragraph  
18 1, Code 2019, is amended to read as follows:

19 ~~Members, except for the director of the department of~~  
20 ~~education or the director's designee,~~ shall be appointed to  
21 serve staggered terms of four years. A member shall not serve  
22 more than two consecutive terms, ~~except for the director of the~~  
23 ~~department of education or the director's designee, who shall~~  
24 ~~serve until the director's term of office expires.~~ A member of  
25 the board, except for the two public members ~~and the director~~  
26 ~~of the department of education or the director's designee,~~  
27 shall hold a valid practitioner's license during the member's  
28 term of office. A vacancy exists when any of the following  
29 occur:

30 Sec. 43. NEW SECTION. 273.1A **Transfer of authority and**  
31 **duties.**

32 1. Beginning July 1, 2020, the authority and duties of  
33 the department of education, the state board of education,  
34 and the director of the department of education under this  
35 chapter shall, to the extent feasible, be transferred to the

1 area education agency boards of directors in this state.  
 2 Accordingly, beginning July 1, 2020, all references to the  
 3 department of education, the state board of education, and the  
 4 director of the department of education under this chapter and  
 5 references to the department of education, the state board of  
 6 education, and the director of the department of education  
 7 under other provisions of law relating to this chapter shall  
 8 mean the applicable area education agency board of directors.

9 2. Any rule, regulation, form, order, or directive  
 10 promulgated by the department of education relative to the  
 11 provisions of this chapter in existence at the conclusion of  
 12 the fiscal year beginning July 1, 2019, shall continue in full  
 13 force and effect.

14 Sec. 44. Section 273.2, subsection 5, unnumbered paragraph  
 15 1, Code 2019, is amended to read as follows:

16 The area education agency board may provide for the  
 17 following programs and services to local school districts, ~~and~~  
 18 ~~at the request of local school districts to providers of child~~  
 19 ~~development services who have received grants under chapter~~  
 20 ~~256A from the child development coordinating council,~~ within  
 21 the limits of funds available:

22 Sec. 45. NEW SECTION. 274.1A **Transfer of authority and**  
 23 **duties.**

24 1. Beginning July 1, 2020, the authority and duties of the  
 25 department of education and the director of the department of  
 26 education under this chapter shall, to the extent feasible, be  
 27 transferred to the area education agency boards of directors  
 28 in this state. Accordingly, beginning July 1, 2020, all  
 29 references to the department of education and the director of  
 30 the department of education under this chapter and references  
 31 to the department of education and the director of the  
 32 department of education under other provisions of law relating  
 33 to this chapter shall mean the applicable area education agency  
 34 board of directors.

35 2. Any rule, regulation, form, order, or directive

1 promulgated by the department of education or the director  
 2 of the department of education relative to the provisions of  
 3 this chapter in existence at the conclusion of the fiscal  
 4 year beginning July 1, 2019, shall continue in full force and  
 5 effect.

6 Sec. 46. NEW SECTION. **275.1A Transfer of authority and**  
 7 **duties.**

8 1. Beginning July 1, 2020, the authority and duties of  
 9 the department of education, the state board of education,  
 10 and the director of the department of education under this  
 11 chapter shall, to the extent feasible, be transferred to the  
 12 area education agency boards of directors in this state.  
 13 Accordingly, beginning July 1, 2020, all references to the  
 14 department of education, the state board of education, and the  
 15 director of the department of education under this chapter and  
 16 references to the department of education, the state board of  
 17 education, and the director of the department of education  
 18 under other provisions of law relating to this chapter shall  
 19 mean the applicable area education agency board of directors.

20 2. Any rule, regulation, form, order, or directive  
 21 promulgated by the department of education, the state board  
 22 of education, or the director of the department of education  
 23 relative to the provisions of this chapter in existence at the  
 24 conclusion of the fiscal year beginning July 1, 2019, shall  
 25 continue in full force and effect.

26 Sec. 47. Section 276.3, subsections 5 and 9, Code 2019, are  
 27 amended by striking the subsections.

28 Sec. 48. Section 279.51, subsection 1, unnumbered paragraph  
 29 1, Code 2019, is amended to read as follows:

30 There is appropriated from the general fund of the state  
 31 to the department of ~~education~~ management for the fiscal year  
 32 beginning July 1, 2007, and each succeeding fiscal year, the  
 33 sum of twelve million six hundred six thousand one hundred  
 34 ninety-six dollars. The moneys shall be allocated as follows:

35 Sec. 49. Section 279.51, subsection 1, paragraphs b and d,

1 Code 2019, are amended by striking the paragraphs.

2 Sec. 50. Section 279.51, subsection 2, Code 2019, is amended  
3 by striking the subsection.

4 Sec. 51. NEW SECTION. **279.72 Transfer of authority and**  
5 **duties.**

6 1. Beginning July 1, 2020, the authority and duties of  
7 the department of education, the state board of education,  
8 and the director of the department of education under this  
9 chapter, to the extent feasible, shall be transferred to the  
10 boards of directors for the respective school districts in the  
11 state. Accordingly, beginning July 1, 2020, all references to  
12 the department of education, the state board of education, and  
13 the director of the department of education under this chapter  
14 and references to the department of education, the state board  
15 of education, and the director of the department of education  
16 under other provisions of law relating to this chapter shall  
17 mean the applicable board of directors of the school district.

18 2. Any rule, regulation, form, order, or directive  
19 promulgated by the department of education, the state board  
20 of education, or the director of the department of education  
21 relative to the provisions of this chapter in existence at the  
22 conclusion of the fiscal year beginning July 1, 2019, shall  
23 continue in full force and effect.

24 Sec. 52. NEW SECTION. **280.1A Transfer of authority and**  
25 **duties.**

26 1. Beginning July 1, 2020, the authority and duties of  
27 the department of education, the state board of education,  
28 and the director of the department of education under this  
29 chapter, to the extent feasible, shall be transferred to the  
30 boards of directors for the respective school districts in the  
31 state. Accordingly, beginning July 1, 2020, all references to  
32 the department of education, the state board of education, and  
33 the director of the department of education under this chapter  
34 and references to the department of education, the state board  
35 of education, and the director of the department of education



1 under other provisions of law relating to this chapter shall  
2 mean the applicable board of directors of the school district.

3 2. Any rule, regulation, form, order, or directive  
4 promulgated by the department of education, the state board  
5 of education, or the director of the department of education  
6 relative to the provisions of this chapter in existence at the  
7 conclusion of the fiscal year beginning July 1, 2019, shall  
8 continue in full force and effect.

9 Sec. 53. NEW SECTION. 282.1A **Transfer of authority and**  
10 **duties.**

11 1. Beginning July 1, 2020, the authority and duties of  
12 the department of education, the state board of education,  
13 and the director of the department of education under this  
14 chapter, to the extent feasible, shall be transferred to the  
15 boards of directors for the respective school districts in the  
16 state. Accordingly, beginning July 1, 2020, all references to  
17 the department of education, the state board of education, and  
18 the director of the department of education under this chapter  
19 and references to the department of education, the state board  
20 of education, and the director of the department of education  
21 under other provisions of law relating to this chapter shall  
22 mean the applicable board of directors of the school district.

23 2. Any rule, regulation, form, order, or directive  
24 promulgated by the department of education, the state board  
25 of education, or the director of the department of education  
26 relative to the provisions of this chapter in existence at the  
27 conclusion of the fiscal year beginning July 1, 2019, shall  
28 continue in full force and effect.

29 Sec. 54. Section 282.18, subsections 5 and 14, Code 2019,  
30 are amended to read as follows:

31 5. Open enrollment applications filed after March 1  
32 of the preceding school year that do not qualify for good  
33 cause as provided in subsection 4 shall be subject to the  
34 approval of the board of the resident district and the board  
35 of the receiving district. The parent or guardian shall send

1 notification to the district of residence and the receiving  
 2 district that the parent or guardian seeks to enroll the  
 3 parent's or guardian's child in the receiving district. A  
 4 ~~decision of either board to deny an application filed under~~  
 5 ~~this subsection involving repeated acts of harassment of the~~  
 6 ~~student or serious health condition of the student that the~~  
 7 ~~resident district cannot adequately address is subject to~~  
 8 ~~appeal under section 290.1. The state board shall exercise~~  
 9 ~~broad discretion to achieve just and equitable results that are~~  
 10 ~~in the best interest of the affected child or children.~~

11 14. If a request under this section is for transfer to a  
 12 laboratory school, as described in chapter 265, the student,  
 13 who is the subject of the request, shall not be included in  
 14 the basic enrollment of the student's district of residence,  
 15 and the laboratory school shall report the enrollment of the  
 16 student directly to the department of education management,  
 17 unless the number of students from the district attending the  
 18 laboratory school during the current school year, as a result  
 19 of open enrollment under this section, exceeds the number of  
 20 students enrolled in the laboratory school from that district  
 21 during the 1989-1990 school year. If the number of students  
 22 enrolled in the laboratory school from a district during the  
 23 current year exceeds the number of students enrolled from that  
 24 district during the 1989-1990 school year, those students who  
 25 represent the difference between the current and the 1988-1989  
 26 school year enrollment figures shall be included in the basic  
 27 enrollment of the students' districts of residence and the  
 28 districts shall retain any moneys received as a result of the  
 29 inclusion of the student in the district enrollment. The total  
 30 number of students enrolled at a laboratory school during a  
 31 school year shall not exceed six hundred seventy students. The  
 32 regents institution operating the laboratory school and the  
 33 board of directors of the school district in the community  
 34 in which the regents institution is located shall develop  
 35 a student transfer policy designed to protect and promote

1 the quality and integrity of the teacher education program  
 2 at the laboratory school, the viability of the education  
 3 program of the local school district in which the regents  
 4 institution is located, and to indicate the order in which and  
 5 reasons why requests to transfer to a laboratory school shall  
 6 be considered. A laboratory school may deny a request for  
 7 transfer under the policy. ~~A denial of a request to transfer~~  
 8 ~~under this subsection is not subject to appeal under section~~  
 9 ~~290.1.~~

10 Sec. 55. Section 282.18, subsection 16, Code 2019, is  
 11 amended by striking the subsection.

12 Sec. 56. Section 283.1, Code 2019, is amended to read as  
 13 follows:

14 **283.1 Federal funds accepted.**

15 The director of the department of education management  
 16 is the "*state educational authority*" for the purpose of  
 17 accepting and administering funds appropriated by Congress for  
 18 educational purposes and the funds shall be deposited with the  
 19 treasurer of state and disbursed through the department of  
 20 administrative services on vouchers audited as provided by law.  
 21 When state matching funds are required as a condition to the  
 22 acceptance of federal funds, the director of the department  
 23 of education management may make expenditures for matching  
 24 only from funds provided by the legislature for that purpose.  
 25 However, when federal funds may be matched with expenditures  
 26 from funds appropriated for the general operation of the  
 27 department of education management, this may be done with the  
 28 approval of the legislative council.

29 Sec. 57. NEW SECTION. **283A.1A Transfer of authority and**  
 30 **duties.**

31 1. Beginning July 1, 2020, the authority and duties of  
 32 the department of education, the state board of education,  
 33 and the director of the department of education under this  
 34 chapter, to the extent feasible, shall be transferred to the  
 35 boards of directors for the respective school districts in the

1 state. Accordingly, beginning July 1, 2020, all references to  
 2 the department of education, the state board of education, and  
 3 the director of the department of education under this chapter  
 4 and references to the department of education, the state board  
 5 of education, and the director of the department of education  
 6 under other provisions of law relating to this chapter shall  
 7 mean the applicable board of directors of the school district.

8     2. Any rule, regulation, form, order, or directive  
 9 promulgated by the department of education, the state board  
 10 of education, or the director of the department of education  
 11 relative to the provisions of this chapter in existence at the  
 12 conclusion of the fiscal year beginning July 1, 2019, shall  
 13 continue in full force and effect.

14     Sec. 58. Section 283A.3, Code 2019, is amended to read as  
 15 follows:

16     **283A.3 Expenditure of federal funds.**

17     The director of the department of ~~education~~ management shall  
 18 accept and direct the disbursement of funds appropriated by any  
 19 Act of Congress and appropriated to the state of Iowa for use  
 20 in connection with school breakfast or lunch programs. The  
 21 director shall deposit the funds with the treasurer of the  
 22 state of Iowa, who shall make disbursements upon the direction  
 23 of the director.

24     Sec. 59. NEW SECTION.   **284.1A Transfer of authority and**  
 25 **duties.**

26     1. Beginning July 1, 2020, the authority and duties of  
 27 the department of education, the state board of education,  
 28 and the director of the department of education under this  
 29 chapter, to the extent feasible, shall be transferred to the  
 30 boards of directors for the respective school districts in the  
 31 state. Accordingly, beginning July 1, 2020, all references to  
 32 the department of education, the state board of education, and  
 33 the director of the department of education under this chapter  
 34 and references to the department of education, the state board  
 35 of education, and the director of the department of education

1 under other provisions of law relating to this chapter shall  
2 mean the applicable board of directors of the school district.

3 2. Any rule, regulation, form, order, or directive  
4 promulgated by the department of education, the state board  
5 of education, or the director of the department of education  
6 relative to the provisions of this chapter in existence at the  
7 conclusion of the fiscal year beginning July 1, 2019, shall  
8 continue in full force and effect.

9 Sec. 60. NEW SECTION. 284A.1A **Transfer of authority and**  
10 **duties.**

11 1. Beginning July 1, 2020, the authority and duties of  
12 the department of education, the state board of education,  
13 and the director of the department of education under this  
14 chapter, to the extent feasible, shall be transferred to the  
15 boards of directors for the respective school districts in the  
16 state. Accordingly, beginning July 1, 2020, all references to  
17 the department of education, the state board of education, and  
18 the director of the department of education under this chapter  
19 and references to the department of education, the state board  
20 of education, and the director of the department of education  
21 under other provisions of law relating to this chapter shall  
22 mean the applicable board of directors of the school district.

23 2. Any rule, regulation, form, order, or directive  
24 promulgated by the department of education, the state board  
25 of education, or the director of the department of education  
26 relative to the provisions of this chapter in existence at the  
27 conclusion of the fiscal year beginning July 1, 2019, shall  
28 continue in full force and effect.

29 Sec. 61. NEW SECTION. 285.7 **Transfer of authority and**  
30 **duties.**

31 1. Beginning July 1, 2020, the authority and duties of  
32 the department of education, the state board of education,  
33 and the director of the department of education under this  
34 chapter, to the extent feasible, shall be transferred to the  
35 boards of directors for the respective school districts in the

1 state. Accordingly, beginning July 1, 2020, all references to  
 2 the department of education, the state board of education, and  
 3 the director of the department of education under this chapter  
 4 and references to the department of education, the state board  
 5 of education, and the director of the department of education  
 6 under other provisions of law relating to this chapter shall  
 7 mean the applicable board of directors of the school district.

8     2. Any rule, regulation, form, order, or directive  
 9 promulgated by the department of education, the state board  
 10 of education, or the director of the department of education  
 11 relative to the provisions of this chapter in existence at the  
 12 conclusion of the fiscal year beginning July 1, 2019, shall  
 13 continue in full force and effect.

14     Sec. 62. Section 291.11, Code 2019, is amended to read as  
 15 follows:

16     **291.11 Officers reported.**

17     The secretary shall report to the director of the department  
 18 of ~~education~~ management, the county auditor, and county  
 19 treasurer the name and post office address of the president,  
 20 treasurer and secretary of the board as soon as practicable  
 21 after the qualification of each.

22     Sec. 63. NEW SECTION. **292.1A Transfer of authority and**  
 23 **duties.**

24     1. Beginning July 1, 2020, the authority and duties of the  
 25 department of education under this chapter shall be transferred  
 26 to the department of revenue. Accordingly, beginning July 1,  
 27 2020, all references to the department of education under this  
 28 chapter and references to the department of education under  
 29 other provisions of law relating to this chapter shall mean the  
 30 department of revenue.

31     2. Any moneys remaining in any account or fund under the  
 32 control of the department of education at the conclusion of the  
 33 fiscal year beginning July 1, 2019, relative to the provisions  
 34 of this chapter shall be transferred to the control of the  
 35 department of revenue for such purposes. Notwithstanding

1 section 8.33, the moneys transferred in accordance with this  
2 subsection shall not revert to the account or fund from which  
3 appropriated or transferred.

4 3. Any contract entered into by the department of education  
5 relating to the provisions of this chapter in effect at the  
6 conclusion of the fiscal year beginning July 1, 2019, shall  
7 continue in full force and effect pending transfer of such  
8 contracts to the department of revenue.

9 4. Any rule, regulation, form, order, or directive  
10 promulgated by the department of education relative to the  
11 provisions of this chapter in existence at the conclusion of  
12 the fiscal year beginning July 1, 2019, shall continue in full  
13 force and effect until amended, repealed, or supplemented by  
14 affirmative action of the department of revenue under the  
15 duties and powers established in this chapter and under the  
16 procedure established in subsection 5.

17 5. In regard to updating references and format in the Iowa  
18 administrative code in order to correspond to the transferring  
19 of duties of this chapter, the administrative rules coordinator  
20 and the administrative rules review committee, in consultation  
21 with the administrative code editor, shall jointly develop a  
22 schedule for the necessary updating of the Iowa administrative  
23 code.

24 Sec. 64. Section 294.5, Code 2019, is amended to read as  
25 follows:

26 **294.5 Reports.**

27 The teacher shall file with the school superintendent and  
28 ~~the director of the department of education~~ such reports and in  
29 such manner as may be required.

30 Sec. 65. Section 296.3, Code 2019, is amended to read as  
31 follows:

32 **296.3 Election called.**

33 Within ten days of receipt of a petition filed under section  
34 296.2, the president of the board of directors shall call a  
35 meeting of the board. The meeting shall be held within thirty

1 days after the petition was received. At the meeting, the  
 2 board shall call the election, fixing the time of the election,  
 3 which may be at the time and place of holding the regular  
 4 school election. However, if the board determines by unanimous  
 5 vote that the proposition or propositions requested by a  
 6 petition to be submitted at an election are grossly unrealistic  
 7 or contrary to the needs of the school district, no election  
 8 shall be called. If more than one petition has been received  
 9 by the time the board meets to consider the petition triggering  
 10 the meeting, the board shall act upon the petitions in the  
 11 order they were received at the meeting called to consider the  
 12 initial petition. ~~The decision of the board may be appealed to~~  
 13 ~~the state board of education as provided in chapter 290.~~ The  
 14 president shall notify the county commissioner of elections of  
 15 the time of the election.

16 Sec. 66. NEW SECTION. 297.37 **Transfer of authority and**  
 17 **duties.**

18 1. Beginning July 1, 2020, the authority and duties of the  
 19 department of education and the director of the department  
 20 of education under this chapter shall be transferred to the  
 21 department of administrative services and the director of the  
 22 department of administrative services. Accordingly, beginning  
 23 July 1, 2020, all references to the department of education  
 24 and the director of the department of education under this  
 25 chapter and references to the department of education and the  
 26 director of the department of education under other provisions  
 27 of law relating to this chapter shall mean the department of  
 28 administrative services or the director of the department of  
 29 administrative services.

30 2. Any rule, regulation, form, order, or directive  
 31 promulgated by the department of education or the director  
 32 of the department of education relative to the provisions of  
 33 this chapter in existence at the conclusion of the fiscal  
 34 year beginning July 1, 2019, shall continue in full force and  
 35 effect.



1     Sec. 67. NEW SECTION.   **299.25 Transfer of authority and**  
2 **duties.**

3     1. Beginning July 1, 2020, the authority and duties of  
4 the department of education, the state board of education,  
5 and the director of the department of education under this  
6 chapter, to the extent feasible, shall be transferred to the  
7 boards of directors for the respective school districts in the  
8 state. Accordingly, beginning July 1, 2020, all references to  
9 the department of education, the state board of education, and  
10 the director of the department of education under this chapter  
11 and references to the department of education, the state board  
12 of education, and the director of the department of education  
13 under other provisions of law relating to this chapter shall  
14 mean the applicable board of directors of the school district.

15    2. Any rule, regulation, form, order, or directive  
16 promulgated by the department of education, the state board  
17 of education, or the director of the department of education  
18 relative to the provisions of this chapter in existence at the  
19 conclusion of the fiscal year beginning July 1, 2019, shall  
20 continue in full force and effect.

21    Sec. 68. NEW SECTION.   **299A.1A Transfer of authority and**  
22 **duties.**

23    1. Beginning July 1, 2020, the authority and duties of  
24 the department of education, the state board of education,  
25 and the director of the department of education under this  
26 chapter, to the extent feasible, shall be transferred to the  
27 boards of directors for the respective school districts in the  
28 state. Accordingly, beginning July 1, 2020, all references to  
29 the department of education, the state board of education, and  
30 the director of the department of education under this chapter  
31 and references to the department of education, the state board  
32 of education, and the director of the department of education  
33 under other provisions of law relating to this chapter shall  
34 mean the applicable board of directors of the school district.

35    2. Any rule, regulation, form, order, or directive

1 promulgated by the department of education, the state board  
 2 of education, or the director of the department of education  
 3 relative to the provisions of this chapter in existence at the  
 4 conclusion of the fiscal year beginning July 1, 2019, shall  
 5 continue in full force and effect.

6 Sec. 69. NEW SECTION. 301.1A **Transfer of authority and**  
 7 **duties.**

8 1. Beginning July 1, 2020, the authority and duties of  
 9 the department of education, the state board of education,  
 10 and the director of the department of education under this  
 11 chapter, to the extent feasible, shall be transferred to the  
 12 boards of directors for the respective school districts in the  
 13 state. Accordingly, beginning July 1, 2020, all references to  
 14 the department of education, the state board of education, and  
 15 the director of the department of education under this chapter  
 16 and references to the department of education, the state board  
 17 of education, and the director of the department of education  
 18 under other provisions of law relating to this chapter shall  
 19 mean the applicable board of directors of the school district.

20 2. Any rule, regulation, form, order, or directive  
 21 promulgated by the department of education, the state board  
 22 of education, or the director of the department of education  
 23 relative to the provisions of this chapter in existence at the  
 24 conclusion of the fiscal year beginning July 1, 2019, shall  
 25 continue in full force and effect.

26 Sec. 70. REPEAL. Sections 260C.6, 276.4, and 291.10, Code  
 27 2019, are repealed.

28 Sec. 71. REPEAL. Chapters 256, 256A, 256G, and 290, Code  
 29 2019, are repealed.

30 Sec. 72. EFFECTIVE DATE. This division of this Act takes  
 31 effect July 1, 2020.

## 32 DIVISION II

### 33 CORRESPONDING AMENDMENTS LEGISLATION

34 Sec. 73. CORRESPONDING AMENDMENTS LEGISLATION. Additional  
 35 legislation is required to fully implement division I of this

1 Act. The director of the department of education shall, in  
 2 compliance with section 2.16, prepare draft legislation for  
 3 submission to the legislative services agency, as necessary,  
 4 to implement the transition and elimination of authority and  
 5 duties under division I of this Act and to implement the  
 6 transition and elimination of authority and duties under other  
 7 provisions of law including but not limited to the duties and  
 8 authority of the department of education, the state board of  
 9 education, the director of the department of education, and any  
 10 division, commission, or subunit of such entities or offices  
 11 under chapters 7A, 7E, 8A, 8B, 8D, 8F, 11, 12, 15, 15H, 16, 19B,  
 12 22, 48A, 68B, 73, 80E, 84A, 85, 96, 99B, 125, 135, 139A, 141A,  
 13 142A, 154B, 154F, 161A, 190A, 216A, 218, 225C, 232, 234, 237,  
 14 237A, 237C, 239B, 241, 249A, 257, 259A, 261B, 298A, 321, 321J,  
 15 322, 350, 423E, 423F, 455A, 455E, 473, 514I, 714, and 904.

#### 16 DIVISION III

#### 17 EDUCATION FINANCE AND

#### 18 EDUCATION SAVINGS GRANTS

19 Sec. 74. Section 8.6, Code 2019, is amended by adding the  
 20 following new subsection:

21 NEW SUBSECTION. 16. *Education savings grant*  
 22 *applications.* Adopt rules relating to applications for an  
 23 education savings grant pursuant to section 257.11B, including  
 24 application processing timelines, and required information for  
 25 submission by a parent or guardian.

26 Sec. 75. NEW SECTION. 257.1A **Transfer of authority and**  
 27 **duties.**

28 1. Beginning July 1, 2020, the authority and duties of  
 29 the department of education, the state board of education,  
 30 and the director of the department of education under this  
 31 chapter shall be transferred to the department of management  
 32 and the director of the department of management. Accordingly,  
 33 beginning July 1, 2020, all references to the department of  
 34 education under this chapter and references to the department  
 35 of education under other provisions of law relating to this

1 chapter shall mean the department of management and all  
2 references to the state board of education or the director  
3 of the department of education under this chapter or other  
4 provisions of law relating to this chapter shall mean the  
5 director of the department of management.

6 2. Any moneys remaining in any account or fund under the  
7 control of the department of education at the conclusion of the  
8 fiscal year beginning July 1, 2019, relative to the provisions  
9 of this chapter shall be transferred to the control of the  
10 department of management for such purposes. Notwithstanding  
11 section 8.33, the moneys transferred in accordance with this  
12 subsection shall not revert to the account or fund from which  
13 appropriated or transferred.

14 3. Any contract entered into by the department of education  
15 relating to the provisions of this chapter in effect at the  
16 conclusion of the fiscal year beginning July 1, 2019, shall  
17 continue in full force and effect pending transfer of such  
18 contracts to the department of management.

19 4. Any rule, regulation, form, order, or directive  
20 promulgated by the department of education relative to the  
21 provisions of this chapter in existence at the conclusion of  
22 the fiscal year beginning July 1, 2019, shall continue in full  
23 force and effect until amended, repealed, or supplemented by  
24 affirmative action of the department of management under the  
25 duties and powers established in this chapter and under the  
26 procedure established in subsection 5.

27 5. In regard to updating references and format in the Iowa  
28 administrative code in order to correspond to the transferring  
29 of duties of this chapter, the administrative rules coordinator  
30 and the administrative rules review committee, in consultation  
31 with the administrative code editor, shall jointly develop a  
32 schedule for the necessary updating of the Iowa administrative  
33 code.

34 Sec. 76. NEW SECTION. 257.11B Education savings grant  
35 program.

1     1. Pupils eligible to enroll in grades kindergarten through  
2 twelve or eligible to participate in a preschool program under  
3 chapter 256C and attending a nonpublic school, receiving  
4 competent private instruction under chapter 299A, or receiving  
5 private preschool instruction shall be eligible to receive an  
6 education savings grant in the manner provided in this section  
7 for school years beginning on or after July 1, 2020. Education  
8 savings grants shall be made available to parents and guardians  
9 in the manner authorized under subsection 4, paragraph "c", for  
10 the payment of qualified educational expenses as provided in  
11 this section.

12     2. *a.* (1) By January 31 preceding the school year for  
13 which the education savings grant is requested, the parent  
14 or guardian of the pupil requesting to receive an education  
15 savings grant shall submit an application to the department of  
16 management, on application forms developed by the department of  
17 management, indicating that the parent or guardian intends to  
18 enroll the pupil in a nonpublic school, place the pupil under  
19 competent private instruction under chapter 299A, or provide  
20 private preschool instruction.

21     (2) In addition to such information deemed appropriate by  
22 the department of management, the application shall require  
23 certification from the nonpublic school of the pupil's  
24 enrollment for the following school year or a statement  
25 indicating the parent or guardian's intent to place the pupil  
26 under competent private instruction or private preschool  
27 instruction for the following school year.

28     *b.* By March 1 preceding the school year for which the  
29 education savings grant is requested, the department of  
30 management shall notify the parent or guardian of each pupil  
31 who is approved to receive an education savings grant and the  
32 amount of the grant.

33     *c.* Education savings grants shall only be approved for one  
34 school year and applications must be submitted annually for  
35 education savings grants in subsequent school years.

1     3. *a.* The department of management shall assign each  
2 pupil an education savings grant in an amount equal to the  
3 difference between eighty-seven and five-tenths percent of  
4 the regular program state cost per pupil and the statewide  
5 average foundation property tax per pupil for the same school  
6 year. However, for a pupil that is eligible to participate  
7 in a preschool program under chapter 256C, the amount of the  
8 grant shall be an amount equal to fifty percent of the regular  
9 program state cost per pupil for the same school year.

10    *b.* The department of management shall on July 1 following  
11 the determination of the amount of the education savings grant  
12 for each approved pupil transfer such amounts to the pupil's  
13 account in the education savings grant fund established under  
14 subsection 4. Such amount shall be available to the pupil's  
15 parent or guardian in the manner authorized under subsection  
16 4, paragraph "c", for the payment of qualified educational  
17 expenses incurred by such persons for the pupil during that  
18 school year.

19     4. An education savings grant fund is created in the state  
20 treasury under the control of the department of management  
21 consisting of moneys appropriated to the department of  
22 management for the purpose of providing education savings  
23 grants under this section. For the fiscal year commencing July  
24 1, 2020, and each succeeding fiscal year, there is appropriated  
25 from the general fund of the state to the department of  
26 management to be credited to the fund the amount necessary  
27 to pay all education savings grants approved for that fiscal  
28 year. The director of the department of management has all  
29 powers necessary to carry out and effectuate the purposes,  
30 objectives, and provisions of this section pertaining to the  
31 fund, including the power to do all of the following:

32     *a.* Make and enter into contracts necessary for the  
33 administration of the fund.

34     *b.* Procure insurance against any loss in connection with the  
35 assets of the fund or require a surety bond.

1     *c.* Contract with a private financial management firm to  
2 manage the fund, in collaboration with the treasurer of state,  
3 including providing for the disbursement of education savings  
4 grants in the form of an electronic debit card or checks that  
5 are payable directly from the pupil's account within the fund.

6     *d.* Conduct audits or other review necessary to properly  
7 administer the program.

8     *e.* Adopt rules pursuant to chapter 17A for the  
9 administration of the fund and accounts within the fund.

10    5. *a.* For each pupil approved for an education savings  
11 grant, the department of management shall establish an account  
12 for that pupil in the education savings grant fund. The  
13 amount of the pupil's education savings grant determined under  
14 subsection 3 shall be deposited into the pupil's account on  
15 July 1 and such amount shall be immediately available for the  
16 payment of qualified educational expenses incurred by the  
17 parent or guardian for the pupil during that fiscal year using  
18 the payment method authorized under subsection 4, paragraph  
19 "c".

20    *b.* A nonpublic school or a provider of competent private  
21 instruction that accepts payment from a parent or guardian  
22 using funds from a pupil's account in the education savings  
23 grant fund shall not refund, rebate, or share any portion of  
24 such payment with the parent, guardian, or pupil.

25    *c.* Moneys remaining in a pupil's account upon conclusion  
26 of the fiscal year shall remain in the pupil's account in the  
27 education savings grant fund for the payment of qualified  
28 educational expenses in future fiscal years or for the payment  
29 of higher education costs under subsection 8.

30    6. For purposes of this section, "*qualified educational*  
31 *expenses*" includes tuition and fees at a nonpublic school  
32 or nonpublic preschool, textbooks, fees or payments for  
33 tutoring or cognitive skills training, curriculum materials,  
34 tuition or fees for nonpublic online education programs,  
35 education materials and services for pupils with disabilities,

1 standardized test fees, fees required by the department not to  
2 exceed for each grant recipient five percent of the total grant  
3 amount in any fiscal year, and other expenses incurred by the  
4 parent or guardian that are directly related to the education  
5 of the pupil at a nonpublic preschool or a nonpublic school,  
6 including a nonpublic school accredited by an independent  
7 accrediting agency approved by the department of management, or  
8 directly related to providing competent private instruction for  
9 the pupil under chapter 299A or private preschool instruction.  
10 The cost of one computer or other portable computing device  
11 shall be allowed as a qualified educational expense for  
12 a pupil if such a purchase has not been made using funds  
13 from that pupil's account in either of the two immediately  
14 preceding fiscal years. "*Qualified educational expenses*" do not  
15 include transportation costs for the pupil, the cost of food  
16 or refreshments consumed by the pupil, the cost of clothing  
17 for the pupil, or the cost of disposable materials including  
18 but not limited to paper, notebooks, pencils, pens, and art  
19 supplies.

20 7. A person who makes a false claim for the purpose  
21 of obtaining an education savings grant provided for in  
22 this section or who knowingly receives the grant or makes a  
23 payment from an account within the education savings grant  
24 fund without being legally entitled to do so is guilty of a  
25 fraudulent practice under chapter 714. The false claim for an  
26 education savings grant or a payment from an account shall be  
27 disallowed. If amounts from the grant have been disbursed from  
28 the applicable account in the education savings grant fund, the  
29 department of management shall initiate legal proceedings to  
30 recover such amounts. A parent or guardian, or a pupil for  
31 purposes of subsection 8, who commits a fraudulent practice  
32 under this subsection is prohibited from participating in the  
33 education savings grant program in the future.

34 8. For each pupil with a positive balance in the pupil's  
35 account in the education savings grant fund upon graduation



1 from high school or completion of an equivalent level of  
2 competent private instruction under chapter 299A, the  
3 department of management shall maintain such account in the  
4 fund until the pupil is twenty-five years of age. Following  
5 graduation from high school until the pupil is twenty-five  
6 years of age, moneys in the pupil's account may be used for  
7 qualified higher education expenses, as defined in section  
8 12D.1, subsection 2, paragraph "k", incurred by the pupil while  
9 attending an institution of higher education under the control  
10 of the state board of regents, a community college located  
11 in this state, or a private college or university located  
12 in this state. Payments from a pupil's account for higher  
13 education costs shall be made in the same manner as payments  
14 for qualified educational expenses under subsection 5. Moneys  
15 in a pupil's account when the pupil turns twenty-five years of  
16 age shall be transferred by the department of management for  
17 deposit in the general fund of the state.

18 9. This section shall not be construed to authorize the  
19 state or any political subdivision of the state to exercise  
20 authority over any nonpublic school or provider of competent  
21 private instruction under chapter 299A or construed to require  
22 a nonpublic school to modify its standards for admission or  
23 educational program in order to receive payment from a parent  
24 or guardian using funds from a pupil's account in the education  
25 savings grant fund. A nonpublic school or provider of  
26 competent private instruction under chapter 299A that accepts  
27 payment from a parent or guardian using funds from a pupil's  
28 account in the education savings grant fund is not an agent  
29 of this state or of a political subdivision of this state.  
30 Rules adopted by the department of management to implement this  
31 section that impose an undue burden on a nonpublic school or  
32 provider of competent private instruction under chapter 299A  
33 are invalid.

34 Sec. 77. Section 422.7, Code 2019, is amended by adding the  
35 following new subsection:

1     NEW SUBSECTION. 48. Subtract, to the extent included, the  
2 amount of an education savings grant under section 257.11B  
3 received by the taxpayer for payment of qualified educational  
4 expenses.

5     Sec. 78. APPLICABILITY. Except as otherwise provided, this  
6 division of this Act applies to school budget years and fiscal  
7 years beginning on or after July 1, 2020.

8     Sec. 79. APPLICABILITY. The section of this division of  
9 this Act enacting section 422.7, subsection 48, applies to tax  
10 years beginning on or after January 1, 2020.

11    Sec. 80. EFFECTIVE DATE. The section of this division of  
12 this Act enacting section 257.1A takes effect July 1, 2020.

13                                   DIVISION IV

14                   CORRESPONDING AMENDMENTS LEGISLATION

15    Sec. 81. CORRESPONDING AMENDMENTS LEGISLATION. Additional  
16 legislation is required to fully implement the section of  
17 division III of this Act enacting section 257.1A. The director  
18 of the department of education shall, in compliance with  
19 section 2.16, prepare draft legislation for submission to the  
20 legislative services agency, as necessary, to implement the  
21 transition and elimination of authority and duties of the  
22 department of education, the state board of education, and  
23 director of the department of education under the section  
24 of division III of this Act enacting section 257.1A and to  
25 implement the transition and elimination of authority and  
26 duties under other provisions of law.

27                                   EXPLANATION

28                   The inclusion of this explanation does not constitute agreement with  
29                   the explanation's substance by the members of the general assembly.

30    This bill relates to education and school district funding  
31 by modifying the duties and authority of certain state and  
32 local governmental entities, establishing an education savings  
33 grant program, and modifying the school district funding  
34 formula.

35    Division I of the bill repeals Code chapter 256, which

1 establishes the department of education, establishes the office  
2 of the director of the department of education, establishes  
3 the state board of education, specifies certain educational  
4 standards, establishes various education programs, establishes  
5 certain councils and entities within the department of  
6 education, includes provisions relating to the participation in  
7 extracurricular activities, establishes the division of library  
8 services, includes the library compact, and establishes the  
9 public broadcasting division.

10 Division I of the bill also amends and repeals other chapters  
11 of the Code relating to education to transition the duties and  
12 authority of the department of education, the director of the  
13 department of education, and the state board of education to  
14 other specified local and state governmental entities beginning  
15 July 1, 2020.

16 Division I of the bill takes effect July 1, 2020.

17 Division II of the bill provides that additional legislation  
18 is required to fully implement Division I of the bill and  
19 requires the director of the department of education to  
20 prepare draft legislation for submission to the legislative  
21 services agency, as necessary, to implement the transition  
22 and elimination of authority and duties under Division I of  
23 the bill and to implement the transition and elimination of  
24 authority and duties under other provisions of law including  
25 but not limited to the duties and authority of the department  
26 of education, the state board of education, the director of  
27 the department of education, and any division, commission,  
28 or subunit of such entities or offices under specified Code  
29 chapters.

30 Division III of the bill provides that beginning July  
31 1, 2020, the authority and duties of the department of  
32 education, the state board of education, and the director  
33 of the department of education under Code chapter 257 are  
34 transferred to the department of management and the director  
35 of the department of management. The bill also provides that

1 moneys remaining in any account or fund under the control of  
2 the department of education at the conclusion of the fiscal  
3 year beginning July 1, 2019, relative to the provisions of Code  
4 chapter 257 are transferred to the control of the department  
5 of management for such purposes. The bill provides that  
6 any contract entered into by the department of education  
7 relating to the provisions of Code chapter 257 in effect at  
8 the conclusion of the fiscal year beginning July 1, 2019,  
9 shall continue in full force and effect pending transfer of  
10 such contracts to the department of management. The bill also  
11 provides for the continuation of any rule, regulation, form,  
12 order, or directive promulgated by the department of education  
13 until amended, repealed, or supplemented by affirmative action  
14 of the department of management.

15 Division III of the bill provides education savings grants  
16 for pupils attending a nonpublic school, receiving competent  
17 private instruction, or receiving private preschool instruction  
18 and establishes an education savings grant fund.

19 Under Division III of the bill, pupils eligible to enroll  
20 in grades kindergarten through 12 or eligible to participate  
21 in a preschool program under Code chapter 256C and attending a  
22 nonpublic school, receiving competent private instruction under  
23 Code chapter 299A, or receiving private preschool instruction  
24 are eligible to receive an education savings grant for school  
25 years beginning on or after July 1, 2020. By January 31  
26 preceding the school year for which the education savings grant  
27 is requested, the parent or guardian of the pupil requesting to  
28 receive an education savings grant must submit an application  
29 to the department of management.

30 Division III of the bill requires that by March 1 preceding  
31 the school year for which the education savings grant is  
32 requested, the department of management must notify the parent  
33 or guardian of each pupil designated to receive an education  
34 savings grant and the amount of the education savings grant.  
35 Education savings grants may only be approved for one school

1 year and annual applications must be submitted for education savings grants in subsequent school years.

3 The amount of each education savings grant is equal to the statewide average regular program state foundation aid per pupil in the same school year or in the case of a preschool eligible pupil an amount equal to 50 percent of the regular program state cost per pupil.

8 Division III of the bill creates an education savings grant fund in the state treasury under the control of the department of management consisting of moneys appropriated to the department for the purpose of providing education savings grants. For the fiscal year commencing July 1, 2020, and each succeeding fiscal year, there is appropriated from the general fund of the state to the department of management for deposit in the fund the amount necessary to pay all education savings grants approved for that fiscal year. For each pupil approved for an education savings grant, the department of management must establish an account for that pupil in the education savings grant fund. The amount of the pupil's education savings grant is deposited into the pupil's account on July 1 and such amount is available for use by parents and guardians for the payment of qualified educational expenses, as defined in the bill, incurred by the parent or guardian for the pupil during that fiscal year.

25 Division III of the bill authorizes the department of management to contract with a private financial management firm to manage the education savings grant fund, in collaboration with the treasurer of state, including providing for the disbursement of education savings grants in the form of an electronic debit card or checks that are payable directly from the pupil's account within the fund.

32 Division III of the bill provides that moneys remaining in a pupil's account upon the conclusion of the fiscal year shall remain in the pupil's account within the education savings grant fund for the payment of qualified educational expenses in

1 future fiscal years or for higher education costs as authorized  
2 in the bill.

3 Under the division, for each pupil with a positive balance in  
4 the pupil's account in the education savings grant fund upon  
5 graduation from high school or completion of an equivalent  
6 level of competent private instruction under Code chapter  
7 299A, the department of management is required to maintain the  
8 account in the fund until the pupil is 25 years old. Until  
9 the pupil is 25 years old, moneys in the pupil's account may  
10 be used by the pupil for qualified higher education expenses,  
11 as defined in Code section 12D.1. Moneys in a pupil's account  
12 when the pupil turns 25 years old are transferred by the  
13 department of management for deposit in the general fund of the  
14 state.

15 Division III of the bill provides that a person who makes a  
16 false claim for the purpose of obtaining an education savings  
17 grant or who knowingly receives the grant or makes a payment  
18 from an account within the education savings grant fund without  
19 being legally entitled to do so is guilty of a fraudulent  
20 practice and is subject to a criminal penalty. The bill allows  
21 the department of management to initiate legal proceedings to  
22 recover grants and amounts improperly awarded or paid from  
23 accounts under the bill.

24 Division III of the bill provides that an education savings  
25 grant received by a taxpayer is not taxable income for purposes  
26 of state individual income taxation. This provision of the  
27 bill applies to tax years beginning on or after January 1,  
28 2020.

29 The section of Division III of the bill enacting Code section  
30 257.1A takes effect July 1, 2020. Division III of the bill  
31 applies to school budget years and fiscal years beginning on  
32 or after July 1, 2020.

33 Division IV of the bill provides that additional legislation  
34 is required to fully implement Division III of the bill  
35 and requires the director of the department of education to

1 prepare draft legislation for submission to the legislative  
2 services agency, as necessary, to implement the transition  
3 and elimination of authority and duties of the department of  
4 education pursuant to new Code section 257.1A and to implement  
5 the transition and elimination of authority and duties under  
6 other provisions of law.